



WASHINGTON STATE DEPARTMENT OF REVENUE (DOR)

Instructions for Completing the Annual 1999 Combined Excise Tax Return

The following instructions are provided to help you complete the Annual 1999 *Combined Excise Tax Return*. If you need further clarification of a tax classification or credit application, you may obtain a copy of the *Guide to Completing the Combined Excise Tax Return* by accessing DOR's Internet home page at <http://dor.wa.gov>, by calling (800) 647-7706 or by requesting a copy from your local DOR office.

Rounding: Please round off to the nearest whole dollar by dropping amounts that are less than 50 cents and rounding up amounts that are 50 cents or more. For example, if your gross sales for the reporting period total \$12,123.48 enter \$12,123.00 on the return. If your gross sales for the period total \$23,334.50, enter \$23,335.00 on the return. Round off all amounts, even the calculated tax due.

DOR Tax Reporting Account Number: The nine-digit number on the line above your name and address on your *Combined Excise Tax Return* is your Tax Reporting Account Number. This number is unique to you and your business. Please be sure to write this number on any attachments to your return, Deduction Detail pages and on your check.

Combined Excise Tax Return Addendum: Businesses that have reported under the below listed taxes in the past, will receive the new *Combined Excise Tax Return Addendum* with the *Combined Excise Tax Return*. It is to be used in conjunction with the *Combined Excise Tax Return* when reporting the taxes listed below. If you did not receive the *Combined Excise Tax Return Addendum* and need to report any of the below listed taxes, you may obtain a copy by accessing DOR's Internet home page at <http://dor.wa.gov>, by calling (800) 647-7706 or by requesting a copy from your local DOR office.

Taxes Reported on the Combined Excise Tax Return Addendum

Lodging Taxes

- Transient Rental Income Information
- Convention and Trade Center Tax
- Special Hotel/Motel Tax

State Public Utility Tax

- Water Distribution
- Sewer Collection
- Power
- Gas Distribution, Telegraph
- Motor Transportation, Railroad, Railroad Car
- Urban Transportation/Vessels Under 65 ft
- Other Public Service Business

Other Taxes

- Tobacco Products
- Refuse Collection
- Hazardous Substance
- Solid Fuel Burning Device Fee
- Syrup Tax

Tax Return Due Date: The due date for the *Annual Combined Excise Tax Return* is January 31, 2000.

Completing Your Return

Getting Started

Starting at the top of page 1 below the barcode and address area:

- If you had an address change, indicate the changes on the pre-printed address and fill in the appropriate box.
- If your business closed during the last year, indicate the date of the business closure in the space provided. For more information about business closures, please call Tax Express at (800) 334-8969, enter code 430.
- If you had no business activity, fill in the appropriate box located underneath the State Sales and Use Tax section, and sign and date your return in the space provided on page 1. Mail your return to DOR in the self-addressed envelope provided. You may also call DOR's 24-hour automated attendant to file a no business return at (800) 647-7706.

I State Business and Occupation (B&O) Tax, Page 1

Locate the proper tax classification for your business activities.

1. In column 1, on the line for the appropriate B&O tax classification, write the gross income resulting from your Washington business activities.
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on pages 3 and 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply each taxable amount in column 3 by the rate in column 4 and write this amount in column 5. Total the amounts in column 5, lines 1-15, and write this amount in the *Total B&O Tax* box.

II State Sales and Use Tax, Page 1

State Retail Sales Tax, Line 16

1. On line 16, column 1, copy the amount from line 15, column 1. Amounts on lines 15 and 16, column 1, must be the same. (*If you are a printer and publisher, or a processor for hire, special instructions apply. Please call us at (800) 647-7706, or refer to page 8 of the Guide to Completing the Combined Excise Tax Return.*)
2. If you have deductions, enter the total deductions in column 2. (*Deductions must be itemized on pages 3 & 4*). If you have no deductions, write 0 in column 2.
3. Subtract column 2 from column 1. Write this amount in column 3. This is your taxable amount.
4. Multiply the taxable amount in column 3 by the rate shown in column 4 and write this amount in column 5.

State Use Tax, Line 17

1. Write the value of articles used on line 17, column 1.
2. Multiply the amount in column 1 by the rate shown in column 4. Write this amount in column 5.
3. Total the amounts in column 5, lines 16 and 17, and write this amount in the *Total State Sales and Use Tax* box.

III Local City and/or County Sales and Use Tax, Page 1

Local Sales Tax, Lines 18-22

1. On lines 18-22, write the location code(s) and rate(s) in the appropriate columns for each location where retail sales took place. For local tax codes and rates, refer to the *Local Sales and Use Tax Rate Chart* sent with the tax return. For examples on determining your location code, refer to page 4 of these instructions.

Note: *If you need additional space to report the local sales taxes, you may attach a sheet with the additional information in the same format as on this return, or request Supplement Form 40 2406*

from DOR. Be sure to include the total taxable amounts and total tax due amounts from the attachment in the total taxable box and total local tax box.

2. Write your taxable amount for each location code in the Taxable Amount column.
3. Total the amounts in the Taxable Amount column and write this amount in the *Total Taxable* box. **This amount must be the same as line 16, column 3.**
4. Multiply each taxable amount by the local rate. Write the amount(s) in the Tax Due City or County column. Do not include Regional Transit Authority tax or King County Food & Beverage tax here.
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total Local Tax* box.

Local Use Tax, Lines 23-25

1. On lines 23-25, write the location code(s) and rate(s) in the appropriate columns for each location in which use tax is due. For local tax codes and rates, see the *Local Sales and Use Tax Rate Chart* sent with the tax return.
2. Write your value of articles for each location code in the Value of Articles column.
3. Total the amounts in the Value of Articles column and write this amount in the *Total Value of Articles* box. **This amount must be the same as line 17, column 1.**
4. Multiply the value of articles for each location by the local rate. Write the result(s) in the Tax Due City or County column. Do not include Regional Transit Authority tax or King County Food & Beverage tax here.
5. Total the amounts in the Tax Due City or County column and write this amount in the *Total Local Tax* box.

Regional Transit Authority (RTA) Tax, Line 26

1. For retail sales occurring within RTA boundaries of King, Pierce and Snohomish counties, write the taxable amount on line 26.
2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

King County Food and Beverage Tax, Line 27

Sales of food and beverages in King County restaurants, taverns and bars, which are subject to retail sales tax, are also subject to this tax.

1. Write the taxable amount for the King County Food and Beverage Tax on line 27.
2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column

Litter Tax, Line 28

Litter tax is owed on the gross sales of products in the following categories: *(continued on page 3)*

- Food for human or pet consumption;
 - Groceries;
 - Cigarette and tobacco products;
 - Soft drinks and carbonated beverages;
 - Beer and other malt beverages;
 - Wine;
 - Newspapers and magazines;
 - Household paper and paper products;
 - Glass, metal, plastic or fiber containers;
 - Cleaning agents;
 - Toiletries;
 - Non-drug drugstore sundry products.
1. Write the gross proceeds of sales for applicable products in the Taxable Amount column on line 28.
 2. Multiply the taxable amount by the rate shown. Write this amount in the Tax Due column.

Lodging Taxes, State Public Utility Tax and Other Taxes from the Combined Excise Tax Return Addendum

1. If you have *Lodging Taxes, State Public Utility Tax* and/or *Other Taxes* to report, complete the *Combined Excise Tax Return Addendum*. Refer to the instructions on the addendum for completing this form. If you do not need to report these taxes, proceed to IV Credits at the top of page 2.

IV Credits, Page 2

1. Enter credit amount on the appropriate line(s) except for the Small Business B&O Tax Credit, line 43.
2. Utilize the *Annual Small Business B&O Tax Credit Table* to determine if you are eligible for that credit. If you are eligible, enter the amount on line 43 in the Amount column.
3. Total all credits on lines 37-48, and write this amount in the *Total Credit* box.
4. Attach any documents or schedules required to support your credit(s) to the tax return.

V Totals, Page 1

1. Total all tax due amounts on page 1. This includes totals for B&O Tax, State Sales & Use Tax, Local Sales Tax, Local Use Tax, RTA Tax, King County Food and Beverage Tax and Litter Tax. Write the total on line 29.
2. If you reported *Lodging Taxes, State Public Utility Tax* and/or *Other Taxes* on the *Combined Excise Tax Return Addendum*, transfer the total tax due from the addendum, to line 30.
3. Write any rental car tax due from the *Rental Car Tax Addendum* on line 31.
4. Add lines 29-31. Write the subtotal on line 32.
5. Transfer the Total Credit amount from page 2 to line 33.
6. Subtract line 33 from line 32 and write the subtotal on line 34.

7. If you file this tax return after the due date shown on page 1 of the tax return, you owe a penalty. See penalty rates on page 1 of the tax return below the signature line. Multiply the penalty rate you owe by the subtotal on line 34, and write this amount on line 35.

Late Filing Penalties: Penalty is due on all delinquent returns. However, no penalty applies if no tax is due. If you are filing your return late and are requesting a waiver of the penalty, please check the appropriate box under the *Totals* section of the return and attach a written request to the return. The request should explain the circumstances that caused your return to be late.

The Department shall waive or cancel penalties upon finding that failure to timely pay any tax was due to *circumstances beyond the taxpayer's control*, or if the taxpayer has remitted payment and timely filed on all tax returns due for a period of 24 months immediately preceding the period covered by the current return.

For more information on penalty waivers, please call our Tax Express System at (800) 334-8969 and enter code 429.

8. If reporting taxes for prior year(s), you may owe interest on line 36. Please call your local DOR office for more information.
9. Add lines 34-36, and write this amount in the *Total Amount Owed* box. This is the amount you owe.

Finishing Your Tax Return: To help us process your tax return, please:

1. Make sure the gross amounts reported occurred during January through December 1999.
2. Write your Tax Reporting Account number (*Registration Number*) on all attachments to the return.
3. Attach the Deduction Detail pages and any credit schedules to your return if applicable.
4. Sign and date the return in the space provided.
5. Write a daytime telephone number, including area code, where you can be reached in case of questions regarding your tax return.
6. Make a copy of your return or retain the completed worksheet copy for your records.
7. Write your Tax Reporting Account Number on your check.
8. Make the check payable to: Washington State Department of Revenue.
9. Do not staple your check to the return. Do not mail cash or coin.
10. Mail the original return and payment, if due, in the self-addressed envelope enclosed with your return or mail to the address printed at the top center of page 1 of the return.

Helpful Hints for Reporting Sales and Use Tax

Determining Location Codes

(WAC 458-20-145)

Sales of Tangible Personal Property Originating in Washington State:

Businesses making sales of products must use the location code that corresponds to the place from where the product was delivered. Usually this is the retail outlet where the sale occurs. If the delivery is made from a warehouse at a separate location, the location of the warehouse determines the correct location code.

- ❖ Example: A customer from Gig Harbor orders goods from a store located within the city limits of Tacoma. It makes no difference whether the customer picks up the goods, or the Tacoma store makes the delivery. The sale occurs at the Tacoma store. Thus, the location code and rate for Tacoma applies.

Sales of Tangible Personal Property Originating in Another State:

Businesses making sales of goods that originate in another state must use the location code and tax rate that corresponds to the location of the in-state facility, office, agent or other representative that participates in the sale. The buyer's location will determine the location code and tax rate only if the seller has no in-state facility, outlet, agent or other representative that participates in the sale.

- ❖ Example: A customer from Olympia orders goods from a business in San Francisco, California. The seller has a representative who lives in Federal Way. Thus, the location code and tax rate for Federal Way applies.
- ❖ Example: A customer from Wenatchee orders goods from a Minneapolis, Minnesota company that does not maintain an in-state facility, office, agent, or other representative. The location code and tax rate for Wenatchee applies.

Sales of Retail Services, Installation and Construction:

Businesses performing retail services or selling products requiring significant installation must use the location code that corresponds to the place where the service or installation occurs.

- ❖ Example: A Bellevue store sells carpet to a Redmond customer. As a condition of sale, the Bellevue store agrees to install the carpet in the customer's Redmond home. The Bellevue store will collect sales tax at the Redmond rate. *(If the Bellevue store merely delivers the carpet without installation, the sale is subject to tax at the Bellevue rate. See prior example for sales of tangible personal property.)*

Lease or Rental of Tangible Personal Property:

For short-term leases, the seller's (lessor's) location determines the applicable tax rate. Short-term leases are generally for less than 30 days and do not require periodic payments.

- ❖ Example: A Spokane business rents a rototiller to a customer in Airway Heights for two days. The business will collect the applicable rate for Spokane.

For long-term leases, the customer's (lessee's) location determines the applicable tax rate. Long-term leases are generally longer than 30 days and require periodic payments.

- ❖ Example: A person in Yakima enters into a 36-month vehicle lease with a Seattle leasing company. The Seattle company will collect the applicable rate for Yakima.

If you have any questions about properly coding local sales and use tax, you can access the Department's new Geographic Information System (GIS) that will identify the proper location code and tax rate for a specific address. GIS is available on the Department's web site at <http://dor.wa.gov>. To access GIS, use the "Services" hot button. You can also contact your nearest Department of Revenue office, or call (360) 902-7170.

Reporting Local Sales and Use Tax Rate Changes

(WAC 458-20-199; -235)

Special instructions apply if local tax jurisdictions change tax rates or, due to incorporation, change their four-digit location codes in the middle of a reporting period.

- ❖ Example: The city of Bremerton (1801) imposed a new tax rate effective April 1, 1999. For sales taking place in Bremerton before April 1st, the local tax rate was .016. Sales taking place after April 1st are taxed at .017.

LOCAL CITY AND/OR COUNTY SALES AND USE TAX					
Local Sales Tax (Enter applicable rate of tax)				Code 45	
Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount					
Line No.	Location Code	Taxable Amount	Rate	Tax Due City or Co.	
18	1801	3,000 00	.016	48	00
19	1801	2,000 00	.017	34	00
20					
21	Reflects January through March income			Reflects April through December income	
22					
TOTAL TAXABLE		5,000 00	TOTAL LOCAL TAX	82	00

- ❖ Example: The city of Sammamish incorporated as of September 1, 1999. For sales taking place before September 1st the local tax is coded to 1700. Sales taking place after September 1st, are coded to the new location code of 1739.

LOCAL CITY AND/OR COUNTY SALES AND USE TAX					
Local Sales Tax (Enter applicable rate of tax)				Code 45	
Total Taxable Amount, must be the same as line 16, column 3, Taxable Amount					
Line No.	Location Code	Taxable Amount		Rate	Tax Due City or Co.
18	1700	3,000	00	.017	51 00
19	1739	2,000	00	.017	34 00
20					
21	Reflects January through August income			Reflects September through December income	
22					
TOTAL TAXABLE		5,000	00	TOTAL LOCAL TAX	85 00

To inquire about the availability of this document in an alternate format for the visually impaired or a language other than English, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985. You may also access tax information on our Internet home page at <http://dor.wa.gov>.